

Just Jute Pushes for an Eco-friendly Koramangala

A powerful idea of replacing plastic bags with jute handbags a decade ago compelled a commerce graduate leave his plush job and family business and led to the foundation of Just Jute. Today, it is not only contributing in environment management but also creating ample employment opportunities. **Saurav Modi**, founder of Just Jute and Nyk, in conversation with **Bhuvnesh Talwar** talks about his journey for change and about their new in-house fashion brand for the fairer sex.

What was the idea behind entering into Jute products business with Just Jute in India? And what were you doing before starting this business?

With the ban of plastic bags across the country I felt I should do something to encourage usage of reusable bags to replace plastics that are harmful for the environment. And seeing the dearth of quality jute bag suppliers in

Bangalore, it occurred to me to provide value added products along with world class service.

I was working with Ernst & Young as a Tax Analyst soon after my college. The job was not challenging and even our family business of wholesale Tea distribution didn't excite me enough. The biggest problem was initial capital hence, I decided to start small - my angel investor was my mother who lent me ₹8,000 to pursue my dream in 2005.

What is the scenario of Jute Products & handbags business in India? How big is the market in Bangalore and south India and its current growth rate?

Both Jute Products and Handbags are growing at a steady rate in India. People are becoming increasingly conscious about the environment and want to use bags which are reusable in nature. Hence the demand of Jute bags is on high. Corporates are using this as a part of their CSR. Women have become extremely fashion conscious and want a handbag matching to every outfit and if something looks good the buy is just an impulse fuelling the demand for handbags.

Considering the influx of the IT industry here, the disposable income is very high hence the demand is very good for our products. We have been seeing a year on year growth of 30 to 35 percent.

Tell us something about your jute products under Just Jute brand?

At JJP we are manufacturers of all kinds of bags in materials such Jute/Cotton Canvas and Synthetic Leather. Jute products are predominantly available in India and Bangladesh.

We have in-house facilities for manufacturing and have a team of skilled workers from the northern part of India. We also cater extensively to a lot of corporates for their gifting requirements.

What are the popular



choices and do they differ based on cities? Is the business completely B2C or you target corporate clients too?

The designs are generic and not made specifically for any particular city. For our Jute products our business is mainly B2B, We normally target corporate clients who use these as promotional items and give aways. We also cater to colleges and institutions that have seminars and conferences frequently. Since our Handbag category is at a very nascent stage it hardly contributes to 8 - 10 percent of the total revenues.

In 2013, you launched in-house fashion brand NYK, what was the idea and how is it different from Just Jute?

At Just Jute Products we also manufacture fashion bags which are made in non-Jute fabrics for some of the top brands across the country. The whole idea of 'Nyk' was to have a fashionable brand and design range for the young women or a senior corporate woman who wants to make an impact with the bag that she carries. We target women

in the age bracket of 25 to 40.

We are now present across all the leading fashion portals like Myntra, Jabong and Flipkart to name a few. We are also available in Central chain of stores in 6 cities. We are selling close to 2,000 units per month.

How big role has Koramangala played a role in your business?

In my opinion it is the best city in every aspect and the opportunities are limitless. Some of the top brands have their corporate offices in Koramangala which gives us a heads up. Koramangala has the coveted title for creating the most number of startups in India. This again gives a lot of opportunities to approach new clients.

Since launch how much has the business grown in terms of clientele and revenue for Just Jute?

We have had clients who have been with us since the beginning. We have

seen a steady growth in our clientele as well as revenues. We have grown multi-fold in terms of our top lines - we estimate to close at USD 1.5 million by the end of fiscal 14-15; a 48 percent increase over last year. We see ourselves closing at USD 4 million by FY 18-19. An investor can expect an ROI of 15-18 percent.

Do you expect NYK down the years becoming a major contributor to your business?

We have big plans for 'Nyk' which will be executed at the right time as funds play an important role to grow a brand. Yes we see 'Nyk' contributing significantly to the growth of JJP in the future.

What kind of marketing strategies have you been using for Just Jute and NYK? Any special services and discounts for clients?

JJP has grown mainly through word of mouth marketing. We also

advertise aggressively on the Internet through different B2B portals. We are in the process of putting a dedicated sales team in place to push our sales to achieve higher sales. For 'Nyk' - currently there is no marketing plan in place.

What are your future plans or strategy for Just Jute and NYK?

We want to create a niche in the Jute industry for ourselves. As of now we are looking at raising some funds through debt or equity so that we can channelise the same towards the optimum growth of the organization.

We want to reach 3,000 Units in sales by the end of FY 2015 with a strong presence in Bangalore since it is based out of Bangalore. By FY 2017 we will undertake to open atleast three to four Exclusive NYK stores in Bangalore and Hyderabad.

bhuvnesh.talwar@timesgroup.com

